

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

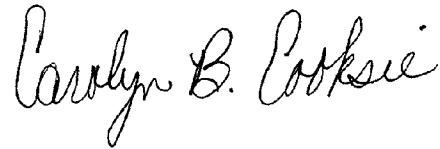
Notice FLP-18

1955-A

For: State and County Offices

Processing Actions Before Liquidation of Loans to Native Americans

Approved by: Deputy Administrator, Farm Loan Programs



1 Overview

A

Background

As a result of the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act), which was signed into law on April 4, 1996, several revisions regarding Native Americans were made to RD Instruction 1955-A. These revisions relate to additional rights and notification actions before liquidation of the real estate. These actions apply to Native American borrowers whose real estate security is located within the confines of a **Federally Recognized Indian Reservation, trust or restricted land located within the boundaries of a former reservation of a Federally Recognized Indian Tribe in Oklahoma, and all existing Indian allotments which are subject to the jurisdiction of a Federally Recognized Indian Tribe.** The 1996 Act provided that this group of borrowers be notified that they can request the Agency to assign notes and security instruments to the Department of Interior, or complete a transfer and assumption of the loans to the Tribe with jurisdiction over the reservation in which the property is located, or Voluntarily Convey the security to FSA. The notification of these additional rights will only take place after all servicing actions and appeals have been exhausted and the accounts have been accelerated.

This additional effort will require not only borrower notification but third party notification as well. It requires that FSA contact the tribe where the property is located and inform them that they can make application for a transfer and assumption of the debt under Indian Tribal Land Acquisition Program rates and terms.

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Disposal Date

January 1, 2000

Distribution

State Offices; State Offices relay to County Offices

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1 Overview (Continued)

B

Purpose

This notice provides for a reminder to notify Native American FSA borrowers of additional borrower rights after their loans have been accelerated and that all loan servicing actions are to be processed to completion.

2 Action

A

Responsibilities

The Loan Manager responsible for servicing these accounts must:

- ensure that all loan servicing actions and any appeals have been concluded or exhausted
 - notify the borrowers affected by this notice
 - notify the tribe of possible transfer and assumption rights on affected properties.
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B

Contact

Address questions about this notice to Gary West, LSPMD, Guaranteed Loan Servicing and Inventory Property at 202-690-4008.
